

December 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>December 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$206,378,085	\$978,537,680
Percent Change	(0.7%)	(4.4%)
Corporate Income Tax		
Net Collections	\$38,450,543	\$151,968,103
Percent Change	(26.6)%	(9.9%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$241,562,128	\$1,481,997,026
Change	4.8%	1.7%
Total Big Three Tax Types		
Net Collections	\$486,390,756	\$2,612,502,809
Percent Change	(0.9%)	(1.4%)

TAX FACTS

December 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	December 2002	December 2001	% Change
Gross Collections	\$48,809,634	\$38,439,004	27.0
Withholding	209,371,110	208,972,030	0.2
Refunds	(15,922,737)	(4,488,571)	258.1
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$206,378,085	\$207,766,082	(0.7)
	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$165,054,010	\$169,947,472	(2.9)
Withholding	1,131,384,362	1,166,598,702	(3.0)
Refunds	(102,621,166)	(102,554,502)	0.1
Urban Revenue Sharing	(215,279,526)	(210,938,286)	2.1
Net Collections	\$978,537,680	\$1,023,053,386	(4.4)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$83,996 in tax liability, refunds for this credit totaled \$599,150. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

The 2,267,783 returns, representing current and prior tax years, filed through December 2002 represents an increase of 2.6% over the December returns filed during the same period of time in 2001. For tax year 2001 filed in 2002, 2,165,973 returns have been filed, a 2.1% increase over filings in December 2001 for tax year 2000.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,519,124 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 2.7% decrease in FAGI and an 8.3% decrease in tax liability. More specifically, 42.4% of these filers experienced a decrease in tax liability; on average a decrease of 46.2% with a corresponding average decrease in FAGI of 27.0%. Filers with an increase in tax liability totaled 710,505 or 46.8%, with an average FAGI increase of 28.3% and an average tax liability increase of 52.3%.

Average Individual Income Tax Refund

	Average	Number
2002 CYTD	\$591.44	1,542,838
2001 CYTD	\$655.12	1,362,045
% Change	(10.2%)	13.0%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 233,775 "new" returns have been filed thus far in 2002, representing approximately 284,668 persons, not including dependents. The average Federal Adjusted Gross Income for these 233,775 returns is \$19,905, with an average tax liability of \$332. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.5% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.3% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. An additional \$63.8 million in estimated payments came from 1999 tax returns that applied their refunds as a 2000 estimated payment, for an average of \$1,744. Estimated payments received through December 2002 for tax year 2001 were as follows:

12/02	140ES payment	\$94,512	Cumulative	\$336,505,458
12/01	140ES payment	(\$2,700)	Cumulative	\$366,395,815
	Percent change	N/A		(8.2%)
12/02	Average payment	\$8,592	Cumulative	\$1,480
12/01	Average payment	\$386	Cumulative	\$1,619
	Percent change	N/A		(8.6%)
12/02	Applied refund	\$20,262	Cumulative	\$67,691,875
12/01	Applied refund	\$42,485	Cumulative	\$63,789,442
	Percent change	(52.3%)		6.1%
Total 12/02		\$114,774	Cumulative	\$404,197,333
Total 12/01		\$39,785	Cumulative	\$430,185,257
	Percent change	N/A		(6.0%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2001, which shows a decrease of 0.2% in withholding payments over the fourth quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2002	(3.1%)	3 rd Quarter 2002	(4.8%)
2 nd Quarter 2002	(2.6%)	4 th Quarter 2002	(2.6%)

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	15,180	\$5,009,882	\$330.03
Calendar Year 2001	14,578	\$4,649,020	\$318.91
% Change	4.1%	7.8%	3.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2001:

	December 2002	Calendar Year Total
Check Off	\$17,563	\$3,261,256
Voluntary Donation	\$796	\$53,930
Number of Returns	2,230	448,772

Contributions on the Individual Income Tax Return

Through December 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,800	\$180,762	\$16.74
Child Abuse	12,394	\$213,476	\$17.22
Special Olympics	5,520	\$82,566	\$14.96
Neighbors Helping	3,390	\$41,521	\$12.25
AID to Education	494	\$34,060	\$68.95
Domestic Violence Shelter	8,655	\$154,643	\$17.87
Democratic Party	759	\$15,887	\$20.93
Republican Party	573	\$14,374	\$25.09
Libertarian Party	100	\$2,080	\$20.80
Reform Party	9	\$92	\$10.22
Green Party	167	\$2,576	\$15.43
Natural Law	12	\$190	\$15.83

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	December 2002	December 2001	% Change
Gross Collections	\$67,811,164	\$92,808,054	(26.9)
Refunds	(\$29,360,620)	(\$40,456,869)	(27.4)
Net Collections	\$38,450,543	\$52,351,185	(26.6)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$225,634,540	\$273,734,099	(17.6)
Refunds	(\$73,666,438)	(\$105,144,181)	(29.9)
Net Collections	\$151,968,103	\$168,589,918	(9.9)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

December 2002	\$49,739,964	Calendar Year Total	\$333,121,389
December 2001	<u>\$67,764,788</u>	Calendar Year Total	<u>\$407,442,166</u>
% Change	(26.6%)	% Change	(18.2%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for December 2002 and for the fiscal year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
December 2002	392	58	65	10	10	0	535	(4.8%)
December 2001	418	50	65	18	10	1	562	
CY 2002	2,603	320	330	69	51	0	3,373	(10.0%)
CY 2001	2,905	326	384	78	54	2	3,749	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	5.8%	5.9%	6.5%	77.9%	3.9%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

December 2002	\$11,398,072	Calendar Year Total	\$161,445,236
December 2001	<u>\$12,418,389</u>	Calendar Year Total	<u>\$111,250,315</u>
% Change	(8.2%)	% Change	45.1%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through December 2002, 99,009 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through December 2001, the Arizona Department of Revenue received 101,808 documents with a fiscal year-end of 2000. Compared to 2002 documents, this represents a 2.7% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for December 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	December 2002	December 2001	% change
Distribution Base	\$102,759,121	\$101,431,447	1.3
Non shared	193,918,448	192,861,439	0.5
Use Tax	12,202,058	2,690,504	353.5
Education Tax	35,781,586	36,231,025	(1.2)
Other Revenues	42,766,117	42,546,250	0.5
Total Collections	\$387,427,331	\$375,760,666	3.1

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$611,501,333	\$605,953,087	0.9
Non shared	1,181,839,937	1,174,905,176	0.6
Use Tax	89,250,280	73,870,043	20.8
Education Tax	219,195,655	216,209,425	1.4
Other Revenues	255,715,748	251,092,462	1.8
Total Collections	\$2,357,502,953	\$2,322,030,194	1.5

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	December 2002	December 2001	% change
Retained by State	\$241,562,128	\$230,535,650	4.8
Returned to Counties	41,627,720	41,089,879	1.3
Returned to Cities	25,689,780	25,357,862	1.3
Education Tax	35,781,586	36,231,025	(1.2)
Other	42,766,117	42,546,250	0.5
Total Collections	\$387,427,331	\$375,760,666	3.1

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$1,481,997,026	\$1,457,733,765	1.7
Returned to Counties	247,719,190	245,493,039	0.9
Returned to Cities	152,875,333	151,501,502	0.9
Education Tax	219,195,655	216,209,425	1.4
Other	255,715,748	251,092,462	1.8
Total Collections	\$2,357,502,953	\$2,322,030,194	1.5

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	December 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$212,861	(10.7)	\$1,361,837	0.7
Non-Metal Mining/Oil & Gas	3.125%	1,735,245	274.2	4,931,587	48.9
Utilities	5.6%	20,453,682	0.9	168,953,668	2.4
Communications	5.6%	12,408,427	(3.1)	72,637,266	0.8
Railroads/Aircraft	5.6%	115,088	53.6	(2,374,333)	N/A
Private Car/Pipelines	5.6%	28,980	2.2	270,900	88.8
Publishing	5.6%	505,716	N/A	3,368,483	184.8
Printing	5.6%	1,387,949	(0.8)	12,474,659	39.2
Restaurants/Bars	5.6%	26,946,217	5.7	155,977,636	3.5
Amusements	5.6%	3,423,391	10.6	17,811,842	13.5
Commercial Lease	0%	4,033	N/A	(147,488)	N/A
Rental of Personal Property	5.6%	13,553,989	(6.1)	82,461,170	(8.7)
Contracting	3.75% - 5.6%	47,360,233	(8.2)	290,356,568	(3.2)
Feed Wholesale	Repealed	(38)	N/A	(424)	N/A
Retail	5.6%	160,967,696	1.3	943,238,023	1.4
Mining Severance	2.5%	61,926	316.0	456,949	157.8
Timber Severance	\$2.13/\$1.51 per 1000 board ft	723	N/A	879	N/A
Hotel/Motel	5.5%	7,075,954	3.2	38,821,379	1.5
Membership Camping	5.6%	10,396	42.3	37,112	(14.5)
Use/Use Inventory	5.6%	12,202,058	353.5	89,250,280	20.8
Rental Occupancy Tax	3.0%	8,806	(56.6)	62,472	(15.7)
Jet Fuel Tax	\$.0305/\$.0105 gal	399,837	20.2	2,514,717	12.1
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	530,887	(2.2)	3,092,119	(5.1)
Poison Control Fund	----	196,355	(2.2)	1,143,661	(5.1)
911 Wireline/Excise	\$0.37 monthly per activated service	1,346,880	0.7	7,811,410	7.6
911 Wireless Service	\$0.37 monthly per activated service	982,488	65.0	4,786,156	50.0
Total		\$311,919,780	4.1	\$1,899,298,528	1.1

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	December 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,257,224	(10.7)	\$27,236,739	0.7
Non-Metal Mining/Oil & Gas	55,527,853	274.2	157,810,789	48.9
Utilities	409,073,638	0.9	3,379,073,355	2.4
Communications	248,168,547	(3.1)	1,452,745,320	0.8
Railroads/Aircraft	2,301,754	53.6	(47,486,658)	N/A
Private Car/Pipelines	579,592	2.2	5,418,001	88.8
Publishing	10,114,318	N/A	67,369,668	184.8
Printing	27,758,985	(0.8)	249,493,174	39.2
Restaurants/Bars	538,924,335	5.7	3,119,552,717	3.5
Amusements	68,467,816	10.6	356,236,843	13.5
Commercial Lease	314,215	N/A	(12,427,923)	N/A
Rental of Personal Property	271,079,790	(6.1)	1,649,223,391	(8.7)
Contracting	947,204,660	(8.2)	5,807,131,366	(3.2)
Feed Wholesale	(7,996)	N/A	(90,307)	N/A
Retail	3,219,353,926	1.3	18,864,760,461	1.4
Mining Severance	2,477,049	316.0	18,277,976	157.8
Timber Severance	0	N/A	0	N/A
Hotel/Motel	128,653,702	3.2	705,843,258	1.5
Membership Camping	207,925	42.3	564,129	(35.0)
Use/Use Inventory	243,873,576	354.3	1,499,665,480	1.9
Rental Occupancy Tax	293,518	(56.6)	2,082,398	(15.7)
Total	\$6,178,624,430	4.3	\$37,302,480,176	0.7

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In December 2002, 13,384,162 gallons of jet fuel were taxed, a 20.4% increase from the 11,113,395 reported for December 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in December 2002 was \$1,110,677 a 5.2% decrease from the \$1,172,088 claimed in December 2001. Accounting credits claimed-to-date in FY 02/03 equals \$7,725,687 a 0.9% decrease from the \$7,797,627 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>December 2002</u>	<u>December 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$188,867,552	\$181,333,776	4.2
5311-5399	general merchandise stores	278,622,471	311,009,204	(10.4)
5411-5499	food stores (no food sales)	258,255,246	239,779,931	7.7
5511-5521	motor vehicle dealers	541,679,183	616,651,163	(12.2)
5531-5599	misc. automotive, motorcycle & boat stores	152,934,431	147,215,998	3.9
5611-5699	apparel & accessory stores	229,207,207	220,810,381	3.8
5712-5733	furniture, home furnishings & equipment stores	178,789,767	177,912,037	0.5
5912-5949	misc. retail stores	230,247,525	239,096,033	(3.7)
TOTAL		\$3,219,353,926	\$3,178,767,908	1.3

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,169,041,926	\$1,086,868,907	7.6
5311-5399	general merchandise stores	1,465,196,152	1,627,488,100	(10.0)
5411-5499	food stores (no food sales)	1,497,743,493	1,423,899,629	5.2
5511-5521	motor vehicle dealers	3,655,680,146	3,879,897,637	(5.8)
5531-5599	misc. automotive, motorcycle & boat stores	988,745,509	964,241,393	2.5
5611-5699	apparel & accessory stores	1,147,005,205	1,084,027,353	5.8
5712-5733	furniture, home furnishings & equipment stores	965,033,990	963,006,852	0.2
5912-5949	misc. retail stores	1,193,245,104	1,193,221,240	0.0
TOTAL		\$18,864,760,461	\$18,597,227,999	1.4

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for December 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$186,696	\$307,124	0.7	\$1,905,827	0.3
Cochise	1,502,545	751,877	1.8	4,460,698	1.5
Coconino	2,499,531	1,073,207	2.6	7,186,676	3.0
Gila	641,126	325,070	0.8	1,994,454	(2.1)
Graham	315,985	192,149	0.5	1,154,855	(0.7)
Greenlee	183,015	132,409	0.3	859,606	(6.5)
La Paz	205,176	116,849	0.3	714,825	0.9
Maricopa	69,132,546	26,722,406	64.2	158,580,754	0.3
Mohave	2,592,346	1,109,491	2.7	6,788,075	5.6
Navajo	1,869,888	744,294	1.8	4,243,294	4.7
Pima	15,539,208	6,316,894	15.2	37,486,859	1.1
Pinal	1,962,330	1,083,121	2.6	6,287,174	4.0
Santa Cruz	663,436	278,891	0.7	1,597,913	1.9
Yavapai	3,038,269	1,377,162	3.3	8,277,933	1.6
Yuma	2,427,025	1,096,776	2.6	6,180,247	2.9
Total	\$102,759,121	\$41,627,720		\$247,719,190	0.9

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for December 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during December 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$63,978							
Cochise		\$475,170							
Coconino		\$703,720	\$422,357						
Gila	\$206,646	\$201,750							
Graham		\$93,894							
Greenlee		\$60,579							
La Paz		\$60,174	\$60,175				\$13,419		
Maricopa	\$21,451,755		\$7,897,636	\$440,937	\$14,130				\$1,483,515
Mohave		\$380,509							
Navajo		\$558,395							
Pima				\$111,409		\$17,675			
Pinal	\$647,819	\$623,568							
Santa Cruz		\$182,147							
Yavapai		\$919,956	\$367,459						
Yuma		\$688,400	\$713,392					\$684,230	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in December 2002. The table compares the receipts to December 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	December 2002	December 2001	% Change
Spirituos	\$2,176,620	\$2,215,827	(1.8)
Vinous	1,104,450	1,106,557	(0.2)
Malt	1,777,372	1,881,982	(5.6)
Cigarette	14,881,836	11,399,114	30.6
Other Tobacco	373,214	297,067	25.6
Tobacco Licenses	200	150	33.3
Total	\$20,313,692	\$16,900,697	20.2

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituos	\$10,328,169	\$10,314,148	0.1
Vinous	4,504,008	4,339,220	3.8
Malt	11,092,301	10,889,068	1.9
Cigarette*	95,872,239	77,319,482	24.0
Other Tobacco	2,048,538	1,797,371	14.0
Tobacco Licenses	2,250	1,775	26.8
Total	\$123,847,505	\$104,661,064	18.3

*Through December 2002, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	December 2002	FY (02/03)
Spirituos	\$1,523,634	\$7,229,718
Vinous	275,453	1,123,169
Malt	444,343	2,773,075
Cigarette	3,411,704	25,605,245
Other Tobacco	57,848	317,524
Tobacco Licenses	200	2,250
Total	\$5,713,182	\$37,050,981

Other dedicated revenues from luxury taxes:

	December 2002	FY (02/03)
Correction Fund revenues	\$2,359,227	\$13,376,300
Tobacco Tax & Health Care Fund ²	7,480,204	64,577,247
Tobacco Products Tax Fund ³	3,814,583	3,896,187
Wine Promotional Fund revenues	2,637	11,329
Drug Treatment & Education Fund revenues	670,617	3,528,268
Corrections Revolving Fund revenues	266,842	1,400,794

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	December 2002	\$3,396,255	Fiscal year To Date	\$34,935,560
	December 2001	<u>\$5,448,025</u>	Fiscal year To Date	<u>\$51,286,508</u>
% Change		(37.7%)	% Change	(31.9%)

Private Car

	December 2002	\$152	Fiscal year To Date	\$1,481,692
	December 2001	<u>\$8,914</u>	Fiscal year To Date	<u>\$1,507,255</u>
% Change		98.3	% Change	(1.7)

Bingo

	December 2002	\$47,565	Fiscal year To Date	\$302,150
	December 2001	<u>\$45,176</u>	Fiscal year To Date	<u>\$312,997</u>
% Change		5.3%	% Change	(3.5%)

Unclaimed Property

	December 2002	(\$1,355,491)	Fiscal year To Date	\$25,110,533
	December 2001	<u>\$2,021,711</u>	Fiscal year To Date	<u>\$29,750,249</u>
% Change		N/A	% Change	(15.6%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through December 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,998	0.9%	-\$21,719	-\$7	20.5%	70.8%	5.1%	3.6%	13.9%	13.1%
\$0-\$5,000	51,026	21.8%	\$2,715	\$0	4.3%	83.9%	10.8%	1.0%	3.9%	15.5%
\$5,000-\$10,000	49,639	21.2%	\$7,390	\$24	8.5%	69.8%	20.4%	1.4%	6.8%	28.4%
\$10,000-\$15,000	35,241	15.1%	\$12,356	\$86	16.0%	53.3%	28.7%	2.0%	9.4%	40.8%
\$15,000-\$20,000	25,931	11.1%	\$17,350	\$160	22.4%	45.0%	29.8%	2.8%	9.7%	45.1%
\$20,000-\$25,000	17,365	7.4%	\$22,342	\$262	27.3%	40.1%	29.1%	3.5%	7.8%	48.4%
\$25,000-\$30,000	11,811	5.1%	\$27,337	\$397	30.1%	40.8%	24.6%	4.5%	7.7%	45.3%
\$30,000-\$40,000	14,461	6.2%	\$34,532	\$568	37.4%	38.1%	20.2%	4.3%	8.6%	44.0%
\$40,000-\$50,000	8,466	3.6%	\$44,608	\$802	47.4%	33.4%	15.6%	3.7%	10.9%	43.8%
\$50,000-\$75,000	10,392	4.4%	\$60,244	\$1,177	61.3%	26.2%	9.9%	2.6%	13.4%	45.2%
\$75,000-\$100,000	3,730	1.6%	\$85,432	\$1,866	70.4%	20.4%	6.9%	2.3%	14.9%	44.9%
\$100,000-\$200,000	2,980	1.3%	\$131,250	\$3,403	72.6%	19.9%	5.7%	1.8%	16.8%	41.2%
\$200,000-\$500,000	587	0.3%	\$289,990	\$9,883	70.1%	20.8%	6.9%	2.2%	19.9%	39.7%
\$500,000-\$1,000,000	92	0.0%	\$671,595	\$27,136	58.1%	29.0%	6.5%	6.5%	23.7%	26.9%
\$1,000,000 and over	56	0.0%	\$2,681,921	\$131,193	56.5%	27.4%	9.7%	6.5%	27.4%	25.8%
Total	233,775		\$19,905	\$332	20.5%	57.1%	20.2%	2.2%	7.9%	34.3%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
December 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	3,269	Tolleson	44,122	4,974
<u>Cochise County</u>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<u>Mohave County</u>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,448	9,520
Globe	66,405	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,752	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,808

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
December 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,287,440	202,705
Eagar	\$25,615	4,033	Surprise	195,925	30,848
Springerville	12,525	1,972	Tempe	1,007,475	158,625
St. Johns	20,762	3,269	Tolleson	31,591	4,974
<u>Cochise County</u>			Wickenburg	32,277	5,082
Benson	29,921	4,711	Youngtown	19,117	3,010
Bisbee	38,679	6,090	<u>Mohave County</u>		
Douglas	90,900	14,312	Bullhead City	214,477	33,769
Huachuca City	11,121	1,751	Colorado City	21,175	3,334
Sierra Vista	239,920	37,775	Kingman	127,464	20,069
Tombstone	9,552	1,504	Lake Havasu City	266,361	41,938
Willcox	23,709	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	31,229	4,917
Flagstaff	335,946	52,894	Pinetop/Lakeside	22,750	3,582
Fredonia	6,580	1,036	Show Low	48,873	7,695
Page	43,246	6,809	Snowflake	28,327	4,460
Williams	18,050	2,842	Taylor	20,172	3,176
<u>Gila County</u>			Winslow	60,464	9,520
Globe	47,546	7,486	<u>Pima County</u>		
Hayden	5,665	892	Marana	86,098	13,556
Miami	12,296	1,936	Oro Valley	188,634	29,700
Payson	86,505	13,620	Sahuarita	20,591	3,242
Winkelman	2,814	443	South Tucson	34,869	5,490
<u>Graham County</u>			Tucson	3,091,170	486,699
Pima	12,633	1,989	<u>Pinal County</u>		
Safford	58,635	9,232	Apache Junction	202,060	31,814
Thatcher	25,545	4,022	Casa Grande	160,205	25,224
<u>Greenlee County</u>			Coolidge	49,451	7,786
Clifton	16,488	2,596	Eloy	65,895	10,375
Duncan	5,157	812	Florence	91,878	14,446
<u>La Paz County</u>			Kearny	14,284	2,249
Parker	19,943	3,140	Mammoth	11,191	1,762
Quartzsite	21,302	3,354	Superior	20,667	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	227,904	35,883	Nogales	132,602	20,878
Buckeye	53,967	8,497	Patagonia	5,595	881
Carefree	18,590	2,927	<u>Yavapai County</u>		
Cave Creek	23,678	3,728	Camp Verde	60,026	9,451
Chandler	1,121,519	176,581	Chino Valley	49,762	7,835
El Mirage	48,327	7,609	Clarkdale	21,734	3,422
Fountain Hills	128,519	20,235	Cottonwood	58,299	9,179
Gila Bend	12,576	1,980	Jerome	2,090	329
Gilbert	696,718	109,697	Prescott	215,550	33,938
Glendale	1,389,740	218,812	Prescott Valley	149,478	23,535
Goodyear	120,109	18,911	Sedona	64,732	10,192
Guadalupe	33,205	5,228	<u>Yuma County</u>		
Litchfield Park	24,198	3,810	San Luis	97,315	15,322
Mesa	2,517,496	396,375	Somerton	46,149	7,266
Paradise Valley	86,784	13,664	Wellton	11,617	1,829
Peoria	688,252	108,364	Yuma	492,321	77,515
Phoenix	8,390,350	1,321,045	TOTAL	\$25,689,780	4,044,808
Queen Creek	27,412	4,316			

*The Office of Economic Research & Analysis
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